

State Bar of California, Office of Governmental Affairs

The Sacramento Scene

Vol. 3, No. 1

January 9, 2004

LEGISLATURE RETURNS, BEGINS AMENDING

The California Legislature reconvened its 2003-04 session on Monday, January 5, after an interim recess somewhat truncated by November's special session. And, as expected, they moved quickly into the process of amending, scheduling and hearing many of the [hundreds of bills](#) introduced in 2003 that must be approved by their house of origin by the end of the month to stay alive.

131 carryover bills were amended on Monday alone, many of them completely gutted and converted into brand new legislative proposals – and in some cases referred to different committees. By the end of the week the number of amended bills had grown to 179, compared to only 45 new bills introduced (many of those non-substantive resolutions).

[Committee hearings](#) on the amended legislation – and a few carryover measures that were not amended (including several Republican proposals to change the state's Unfair Competition Law) – will begin in earnest next week and continue through January 23. The final week of the month will be devoted to floor sessions.

Bills introduced in the first year of a legislative session that do not clear their house of origin by January 31 of the second year die by operation of the state Constitution (Article IV, Section 10(c)).

ASSEMBLY LEADERSHIP CHANGES

Also as expected, the reins of power changed hands in the Assembly this week – immediately in terms of the Assembly Republicans, and prospectively in terms of the Democrats.

On Monday, the Assembly Republicans announced the long-anticipated transfer of leadership from [Dave Cox](#) of Sacramento to [Kevin McCarthy](#) of Bakersfield.

On Thursday, current Assembly Speaker [Herb Wesson](#) (D-Los Angeles) presided over the election of [Fabien Nuñez](#) (D-Los Angeles) to succeed him on February 9. Wesson himself placed Nuñez's name in nomination and, in a show of bipartisanship, McCarthy made the first of several seconding speeches. Nuñez was elected unanimously.

Both Nuñez and McCarthy are in the second year of their first term of office, meaning that either or both could conceivably hold his position until some time

in 2008. None of the past six Speakers has held the post for more than two years.

GOVERNOR'S BUDGET WOULD HIT COURTS HARD

Governor Arnold Schwarzenegger revealed his [2004-05 budget](#) on Friday, January 9, confirming reports that he would be proposing to close the state's multi-billion dollar shortfall primarily through budget cuts and borrowing, without new taxes.

The budget proposes a \$68.8 million reduction in funding for the state's courts, comprised of a \$9.8 million unallocated reduction in General Fund spending and a \$59 unallocated reduction in funding for the state's trial courts.

However, the budget doesn't take into account increased mandatory costs the courts will face this year, including higher security fees and salary and retirement benefit increases, meaning that the potential shortfall could be even greater. The budget also doesn't address a \$40 million shortfall in the current year court budget due to less-than-anticipated revenues from filing fees.

Administrative Office of the Courts officials were quoted in news accounts as being concerned over the extent of the reductions, but were hopeful that the initial budget was only a starting point and that discussions were continuing.

The Governor's "[Budget Summary – Judicial Branch](#)" also suggests several policy changes "that could produce long-term savings, efficiencies, or cost avoidance" – but which likely would be strongly opposed by organized labor.

- Restructuring the collective bargaining process between the courts, court employee unions, and the state, to allow for greater state participation in the process.
- Restructuring the way court security is provided to allow the courts greater cost controls and flexibility.
- Restructuring the way court employee benefits are provided, providing greater state-level participation to provide greater consistency and economies of scale.

Schwarzenegger also announced a substantial increase in fees for colleges, including a 40 percent hike in state-run law schools.